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SUBJECT: SCENESETTER FOR VISIT OF CODEL LEAHY TO IRELAND

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¶1. (U) CODEL Leahy will arrive against a backdrop of a new Irish Government led by Prime Minister Brian Cowen, the continuing successful peace process in Northern Ireland, a slowing, but still world-class economic growth -- the "Celtic Tiger" -- and an Ireland that is increasingly engaged in foreign affairs and global issues through the European Union and the United Nations. An international meeting to negotiate a ban on cluster munitions -- the Oslo Process -- will be underway.

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Domestic Politics  
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¶2. (U) Ireland's May 2007 general election brought Fianna Fail, led by Prime Minister (also known as the Taoiseach, TEE-SHUCK) Bertie Ahern, into a third successive coalition government; this time with the Green Party and the Progressive Democrats as partners. On April 2, 2008, Ahern caught Ireland by surprise by announcing his resignation, effective May 6. Ahern stated that he was stepping aside because the attention paid to the long-standing Irish Mahon Tribunal investigations into his personal finances was becoming a distraction from the more important work of governing. He nonetheless emotionally reiterated that he never took any "corrupt payments" and that his resignation was a personal decision not driven by the Tribunal proceedings. At the invitation of Speaker Nancy Pelosi, Ahern addressed a Joint Session of Congress on April 30, one of his last actions as Prime Minister.

¶3. (SBU) Ahern's heir designate, former Fianna Fail Deputy Party Leader and Finance Minister Brian Cowen, replaced Ahern as Prime Minister on May 7, having previously been selected as the head of Fianna Fail party. Previous to holding the Finance Minister portfolio, Cowen was Foreign Minister from January 2004 through September 2004. On May 8, the entire Irish Government was reinstated, following a Cabinet shake-up by Cowen. While Cowen made more Cabinet changes than expected, he largely re-shuffled Cabinet Ministries (rather than moving Ministers out), positioning his most trusted colleagues close to him. We do not expect any change in U.S.-Irish bilateral relations under Cowen's leadership

¶4. (SBU) Looming large on the political horizon is a national referendum on June 12 on whether to endorse the EU Lisbon Treaty. Ireland is the only EU state holding such a referendum, which will be viewed by many as a measure of Cowen and Fianna Fail's political strength as Cowen prepares to lead Fianna Fail into local elections and the European Parliament elections in June 2009. In terms of immediate U.S. interests, the Irish Government remains committed to facilitate U.S. military transits at Shannon and Dublin Airports, despite opposition from some sources to U.S. efforts in the Gulf region and public suspicion by some that Irish airports have been used for terrorist renditions.

Ireland is also participating enthusiastically in negotiations for the establishment of full pre-clearance facilities in Ireland for both commercial and general aviation flights to the U.S. Most observers consider approval of the Treaty more likely than not.

15. (SBU) In terms of immediate U.S. interests, the Irish Government remains committed to facilitate U.S. military transits at Shannon and Dublin Airports, despite opposition from some sources to U.S. efforts in the Gulf region and public suspicion by some that Irish airports have been used for terrorist-related renditions. In 2007, over 250,000 U.S. troops transited Ireland to and from Iraq and Afghanistan. In a related matter, Ireland is also participating enthusiastically in negotiations for the establishment of full pre-clearance facilities in Ireland for both commercial and general aviation flights to the U.S., expanding on current DHS/CBP pre-inspection processes at both airports.

16. (U) Long a vital element in the U.S.-Irish relationship, emigration has declined significantly with Ireland's economic boom in the 1990s and 2000s. For the first time in its modern history, Ireland is experiencing high levels of inward migration from mostly Eastern European, a phenomenon with political, economic and social implications.

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Sustained Economic Success  
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17. (SBU) Solid economic growth (4.2 percent through 3Q 2007) generated 78,000 new Irish jobs for the year ending in May 2007 and yielded one of the EU's lowest unemployment rates of 4.5 percent. The foundation of Ireland's Celtic Tiger transformation has been low corporate tax rates, industrial

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peace, pro-investment policies, fiscal responsibility, and effective use of EU support funds. These factors have led over 600 U.S. firms to establish operations in Ireland; the stock of U.S. investment in the country is, in fact, significantly more than the U.S. combined total in the BRIC countries (Brazil, Russia, India, and China). With plentiful jobs, Ireland has also become a magnet for inward EU immigration, attracting over 100,000 new arrivals since the accession of ten new EU Member States in 2004, though the rate of inward EU migration has recently slowed. Economic success has also made Ireland a role model for new EU members and a more confident diplomatic go-between for the United States and the EU, as personified by the EU Ambassador to the United States, former Irish Prime Minister John Bruton. Nonetheless, as in the U.S., Ireland is experiencing slower growth, driven by a slowdown in the housing market, tightening credit, and inadequate infrastructure that has not kept pace with the growth of the Celtic Tiger.

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Northern Ireland  
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18. (SBU) Following a series of historic decisions - including the St. Andrews Agreement in October 2006, the January 2007 Sinn Fein decision to endorse policing and justice, and the spring 2007 Democratic Unionist Party (DUP) decision to share power with Sinn Fein - the Northern Ireland Assembly was restored in May 2007. Since then, North-South institutions, such as the North-South Ministerial Council and InterTradeIreland, are up and running. However, the Irish Government continues to press for the devolution of the powers of policing and justice, which remain under the direct control of the British Government.

19. (SBU) For years, the USG ) including Presidents Clinton and Bush ) have strongly supported the Northern Ireland peace process. The USG has consistently taken the position that the devolution of policing and justice is an important

and integral part of the process. Current USG initiatives in support of the peace process focus on economic growth and community reconciliation in the North. In May 2008, the USG supported a very successful investment conference in Northern Ireland designed to attract American investment. Headlined by a Presidential delegation including Mayor of New York Michael Bloomberg, the conference attracted over 90 American companies.

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Global and Regional Efforts  
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¶10. (SBU) The U.S. and Ireland have worked closely and effectively on issues of shared concern mostly through Ireland's participation in multilateral organizations such as the UN and the EU. For example, Ireland leads the EU mission in Chad. It also recently resettled Cuban refugees sheltering at Guantanamo. Ireland's military neutrality, however, remains an important cornerstone of its foreign policy, and will need to be considered when proposing bilateral initiatives.

¶11. (SBU) Cluster Munitions. Ireland is a founding member of the Oslo Process, which seeks to ban cluster munitions. Former Foreign Minister Dermot Ahern (now Minister for Justice), who witnessed the impact of unexploded ordinance on civilians in Lebanon following the Israeli incursion in July 2006, launched these efforts. Ireland remains convinced that the May 19-30 Dublin Conference will produce a final Cluster Munitions Convention, ready for signature in Oslo in December 2008. "Interoperability" and "definitions" constitute the crux of the Conference negotiations according to the Irish. Ireland plans to work to expand the language of the draft conventions to diminish the chance of unintended consequences. Ireland will also seek to achieve compromises in the language of the text so as to not disrupt critical ongoing and future peacekeeping collaboration and existing alliances.

¶12. (SBU) The Dublin Diplomatic Conference on Cluster Munitions will be in session from May 19-30 (during your visit). The United States is not participating in this conference. The United States opposes a full ban, due to the fact that cluster munitions are integral to our force structure. Like the states participating in the Oslo Process, the U.S. wants to minimize the humanitarian impact of all explosive remnants of war, including unexploded cluster munitions. However, in our experience, weapons-related restrictions work best if applied universally. Only the Convention on Conventional Weapons (CCW), which operates by consensus and included all major

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users and producers of cluster munitions, can achieve such universality while balancing humanitarian concerns with military utility. Thus far, the CCW negotiations have achieved some positive results. The next session is in July.

¶13. (SBU) The United States is the global leader in taking action to minimize the humanitarian harm caused by cluster munitions and other explosive remnants of war. The United States has allocated approximately \$45 million to clear cluster munitions in nine states; this figure is part of over \$1.2 billion the U.S. has cumulatively contributed to humanitarian mine action and clearance of other explosive remnants of war across the globe. To lessen the impact of cluster munitions on civilians, the Department of Defense has reviewed rules of engagement, conducted a munitions reliability study, retrofitted some of its cluster munitions stocks, currently uses strict targeting procedures, and continues to develop and field more reliable systems. Consistent with Protocol V on "Explosive Remnants of War" of the CCW, the U.S. has provided strike data to assist humanitarian organizations in clearance activities and improved our information sharing processes. Since 2001, the

Department of Defense policy has been that new types of munitions will have a 99 percent or better functioning rate in testing. There is an on going review of cluster munitions policy, which will make further improvements to the reliability of cluster munitions in the U.S. arsenal.

¶14. (SBU) Iraq. The USG appreciates Ireland's steadfast support in permitting U.S. military transits at Shannon and Dublin Airports (over one million troops since 2003; 262,000 in 2007) which backstop U.S. actions in the Gulf region, despite the unpopularity of this policy domestically. Ireland has also made a commitment of over three million euros to the EU's reconstruction efforts in Iraq.

¶15. (SBU) Immigration. The Irish Government continues to consult and lobby with Congress and Irish-American groups on behalf of Irish residing illegally in the U.S., variously estimated at between 5,000 and 50,000. A special unit of the Department of Foreign Affairs, set up in 2006 to assist the Irish Diaspora, assists Ambassador Michael Collins in this endeavor. While the Irish Government understands that Irish illegal aliens will not be dealt with separately from comprehensive U.S. immigration reform, the Irish take this emotive domestic issue to heart. Irish officials regularly express deep concern for these illegals and ask the USG to regularize their status as soon as possible.

¶16. (SBU) Special Visas. Ireland has requested approval of a special visa category, such as the Australian E-3 visa or a modified J-1 visa, which would enable Irish citizens to live and work in U.S. for durations longer than currently available under existing visa regulations. This request is being reviewed by the White House, the State Department and the Department of Homeland Security.

¶17. (SBU) International Economy. Ireland's economy is closely tied to the economy of the U.S., as well as to American investment. Ireland is worried that U.S. economic difficulties will reverberate strongly in Ireland. Ireland's economic policies are expected to remain staunchly pro-American business.

¶18. (SBU) The Middle East. Ireland supports the international community in calling for Hamas to renounce violence and to recognize Israel's right to exist. It supports the two-state solution. While concerned about Hamas' attacks on Israel, Ireland also believes that Israel's armed response has been disproportionately fierce. The Irish are dismayed at the level of violence and are supportive of the use of USG influence to make headway in the Middle East Peace Process. Irish popular opinion generally favors the Palestinian cause.

¶19. (SBU) Iran. While Ireland has generally supported international dialogue with Iran rather than sanctions, it recognizes that unchecked Iranian development of nuclear capability and its flouting of UNSC Resolutions represent a threat to the international community. Ireland supported the most recent third UNSCR on Iran in March 2008.

¶20. (SBU) Irish Peacekeeping/Darfur/Chad. The Irish Defense Forces have roughly 760 troops serving in multilateral peacekeeping missions in Kosovo, Chad, Bosnia, Afghanistan, and elsewhere. Ireland is contributing 350-400 troops to the EU's ESDP mission to Chad, which is led by an Irish General, and sees this peacekeeping effort as contributing to the situation in adjacent Darfur. The Irish Government prefers not to expand its military engagement in Afghanistan, though it will consider additional development and humanitarian

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assistance.

¶21. (SBU) Kosovo. Ireland has consistently worked within the EU to forge a common position on Kosovo's independence and supported the Ahtisaari Plan. On February 28, Ireland

recognized Kosovo's independence; the fourteenth country in the world to do so. It will continue its engagement in KFOR (for which it is the framework, or lead, nation and contributes 270 troops), contribute officers to the ESDP police mission, and allocate substantial additional development and humanitarian assistance.

¶22. (SBU) Conflict Resolution. In 2007, then Foreign Minister Dermot Ahern (now the Justice Minister) announced the opening of a new Conflict Resolution Unit (CRU) in the Department of Foreign Affairs. The Irish hope to use lessons learned in Northern Ireland to help other conflict areas of the world. The CRU's first initiative will be in East Timor. The new Department of Foreign Affairs Conflict Resolution Unit has chosen East Timor as its first major conflict resolution intervention initiative.

¶23. (SBU) Development Assistance. Ireland aims to contribute 0.7 percent of GDP to overseas development assistance by 2012. Africa is a particular focus.

¶24. (SBU) Climate Change. Although the Irish public and media criticize the United States for remaining outside the Kyoto Protocol, Ireland's rapid economic growth has made it difficult for the country to meet its own Kyoto commitments. Under the Protocol, Ireland pledged to reduce emissions to 13 percent above the 1990 levels by 2012, but emissions now stand at 25 percent above the 1990 threshold. Ireland has also signed on to even more stringent EU requirements of reducing emissions by (up to) 30 percent by 2020. In this context, the Government has welcomed Embassy proposals for a cooperative approach to climate change and we are working on bilateral initiatives focused on ocean/wave energy, methane capture, and clean coal technologies.

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